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Idaho Transportation Department

Today's News Briefs

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Auto dealerships lay off employees

LEWISTON - Two Lewiston auto dealerships have laid off employees as would-be car buyers are making increasingly careful decisions about what they buy.

The Kendall Auto Group, which owns Kendall Chrysler Dodge Jeep in Lewiston, cut 10 percent of its employees in the 11 dealerships it runs in Idaho and Oregon, said Andrew Brack, chief financial officer of the business, which is headquartered in Eugene, Ore. "We did everything we possibly could to avoid personnel cuts, but they became inevitable."

Brack said he didn't know how many jobs were cut in Lewiston in the past week. The Kendall Auto Group also has four dealerships in Alaska that weren't affected.

Rudolph's Buick Pontiac GMC in Lewiston has also reduced the number of employees it has, although its owner, Dan Rudolph, declined to share how many people lost their jobs.

New car sales have declined by 50 percent at the dealership compared with a year ago, Rudolph said. Used car sales have climbed some while traffic at the dealership's repair center is growing significantly as people opt for expensive repairs instead of new vehicles, Rudolph said.

"Car dealers are supposed to be the eternal optimists," Rudolph said. "Everyone I talk to who is being honest is saying it's somewhere between awful and brutal."

Conditions at other north central Idaho or southeastern Washington dealerships vary. None of the 10 managers or owners interviewed said they were seeing sales increases. But one dealership is selling as many vehicles as it did last year, with smaller cars moving faster than trucks, said Jeff Hill, general manager of James Toyota of Moscow.

Another, McClure Honda, has seen new and used sales fall by about 50 percent with the downturn surfacing at the end of August, said Jeff Brooks, general manager. "It's just like someone turned the tap off."

Some managers or owners, including those at Joe Hall Ford Lincoln Mercury Nissan in Lewiston, Ambassador Auto in Moscow and Paradise Ford Mercury in Moscow, indicated they were off just slightly. "We're not going to break any records this month, but we've had worse months," said Jeff Mack, sales manager and co-owner of Ambassador Auto.

Sales have fallen by about 15 percent at Wysup Hyundai in Lewiston and Wysup Chrysler Dodge in Pullman, said Michael Wysup, the owner of the dealerships.

No single factor is responsible for any challenges car dealers may face, Brack said. It's a combination of false perceptions that car loans are difficult to get, uncertainty about the economy and the coming presidential election, he said.

Customers are scared, whether they're young or old, retired or working, Rudolph said. "They're afraid their income tomorrow and their financial position tomorrow is going to be worse than it is today."

The upside of the situation is buyers can find some of the best deals in more than a decade on cars, said Jeff Rowden, general manager of Tyler Kelly Motors in Lewiston.

A Chevrolet half-ton extended cab truck with four-wheel drive, for example, was priced at \$26,627 in

1997, Rowden said.

That same model is available now for about \$500 less, even though the technology and the features on the 2008 version are superior to those available 10 years ago, Rowden said.

Rowden and a number of other dealership owners or general managers said financing is still easily available for most people, even those without spotless credit, at a time when many automakers are offering large rebates or incentives such as zero percent financing.

"If you do come in, dealers are going to do everything they can to get you driving down the road in a new car," Rowden said.

One of the biggest mistakes Rudolph said he sees customers making are misguided attempts to save money by waiting to do repairs until their cars stop running. "If it's making a funny noise, get the darn thing in before it gets really expensive."